

Performance Measures Workgroup

- Team Members
 - Dave Lichy
 - Mike Jordan
 - Kimberley Oldham
 - Mark Dixon
 - Conrad Miller
 - Rod Shank
 - Larry Holman
 - David Williams
 - Bill Goshorn

Performance Measures Practical Principles

- Quantifiable – can it be measured
- Simple – does not require extensive calculations
- Understandable – well defined
- Objective – can't cook the books
- Alignment with customer objectives
- Useful to Customers and Corps

Value & Purpose of Measures

- National Level – Strategic Level
 - Indicators, for not decision making
 - Previously funding has not been tied to performance measures
 - FY06 will be revealing as to how performance is rewarded
 - Bring up poor performers or reward good performers
- Regional Level – Tactical Level
 - Communication & working with customers
 - Local trends
 - Determine priorities
 - Decision making under direct funding ?
- Plant level – Operational Level
 - Operational and management decisions
 - Staffing per unit = direct correlation to cost

Hydropower Objectives

1. Provide power services at lowest sustainable cost. S, T, O
 - a. Stable Rates (within inflation rate) Ultimately, this is what matter to the customers
 - b. O&M \$/MW cost of generation
 - c. Capital replacement costs per MW
 - d. Plant contribution to total rate structure
 - e. \$ per Capacity & Other Factors that effect rates
 - f. Large maintenance
 - g. Joint costs – non generation costs
2. Optimize hydropower as a renewable resource that does not contribute to greenhouse gases. S
 1. Tons of greenhouse gases prevented
 2. % of available water used for power generation = missed opportunity to have prevented more
 3. New capacity
3. Meet or exceed industry standards for reliability and availability. S, T, O
 1. NERC compliance
 2. Forced outage rate – reliability
 3. Peak season availability
 4. Total operating hours vs. outage hours

Hydropower Objectives

4. Develop and implement a hydropower asset management strategy. S
 - Define what asset management means to each stakeholder group
 - Use ER to develop asset planning structure (Do you have a plan)
 - Measure what gets done.
5. Identify and implement opportunities to standardize equipment, processes, and services in coordination with other related federal hydropower agencies. S
 1. FIST manual
 2. FEM's (Maximo) – Make comparisons with other plants
 3. No consistency of definitions within and outside agencies
 4. Shared resources
 5. Measures ????
 6. Results will be reflected in other measures such as cost
6. Sustain a skilled hydropower workforce. S, T, O
 1. # of New hires vs. retirements
 2. # of new hires that completed training vs. how many new hire
 3. Hours of continuing education for plant employees
 4. Indicator of how well we are replacing and keeping what we got
 5. 5-7% trainees to total workforce

Hydropower Objectives

7. Strengthen and sustain hydropower partnerships with the power marketing administrations, preference customers, and federal power agencies. S
 1. # Regular sustained meetings with customers
 2. # contacts with others outside your agencies state, local and other Federal, tribal
8. Manage the hydropower program through sound project management principles. S
 1. % of projects (work packages) that met original budget and schedule commitments
 2. Overall % cost growth of all work packages
 3. % of projects that exceed original commitments
 4. Obligations and expenditures are less than 100% - Don't spend for spending sake
9. Optimize the hydropower resources within authorized project purposes and environmental laws. S, T, O
 1. Goal - No net losses in generation capacity
 2. % of operating hours that are being restricted due to environmental considerations
 3. Operating principle
 4. Existing ERGO Compliance – internal reviews

Suggestions for Follow On Workgroup

- Review and comment on performance values and practical considerations
- Refine and propose performance measures
- Propose performance targets

